

REMARKS

This Response is submitted in reply to the Final Office Action dated July 1, 2004. Claims 1, 7, 16, 23, 38 and 45 have been amended. Claims 48 and 49 are cancelled without prejudice or disclaimer. Claim 10 stands canceled without prejudice or disclaimer. Claims 29 to 37 stand withdrawn. No new matter has been added.

A Request for Continued Examination and a Petition for a Two Month Extension of Time to file this Response are submitted herewith. A check in the amount of \$1220.00 is submitted herewith to cover the cost of the RCE and the two-month extension. Please charge deposit account number 02-1818 for any insufficiency of payment or credit any overpayment.

The Office Action rejected Claims 1 to 9, 11 to 28 and 38 to 53 under 35 U.S.C. §103(a) as being unpatentable over Farrell. Applicants respectfully disagree with the reasoning stated in the Office Action. Nonetheless, Applicants have amended certain of these claims by clarifying that the potential second offer is different than any of the offers in the first set of offers.

Farrell relates to a gaming machine with a plurality of reels and a matrix display. The reels include fruit symbols, first reel O symbols and second reel X symbols. For each spin of the reels, any O symbols or X symbols visible on the reels is produced as a corresponding first O matrix symbol or second X matrix symbol, respectively, on one of the segments of the matrix display. In one embodiment of Farrell, dependent on the number of complete lines of X's or O's on the matrix, the player enters a prize ladder with a plurality of prize levels. The player is enabled to either accept the prize corresponding to the entry level on the prize ladder or reject the prize and input a prediction (i.e., regarding whether one number is higher or lower than a previous other number) to advance one position up the prize ladder.

Independent amended Claim 1 is directed to a gaming device including a processor and a first set of potential offers, wherein one of the potential offers of the first set is adapted to be made to a player by the processor. The gaming device includes a second set of different potential offers, at least one potential offer of the second set being determined as a subsequent offer and made to the player by the processor if the

player rejects the first offer, wherein the potential offer of the second set is based on a total value of all previous offers made to the player. The gaming device also includes a display device controlled by the processor for displaying the sets of potential offers to the player, means controlled by the processor for enabling the player to accept or reject the first offer and wherein the processor is operable to provide the player any accepted offer or a final offer.

The Office Action's reasons that Farrell discloses a bonus presentation device of identical structure to the gaming device (and method of operating a gaming device) of the present invention and that the only difference between Farrell and the gaming device (and method of operating a gaming device) of the present invention is in the software program executed by the respective processors. Applicants respectfully disagree with this reasoning and respectfully submit that each claimed gaming device (and each claimed method for operating a gaming device) must be viewed as a whole and as established by the Federal Circuit, when viewed as a whole, two identical computers programmed to execute different software are considered two different machines regardless of their identical structure.

The MPEP states that the mere fact that a hardware element is recited in a claim does not necessarily limit the claim to a specific machine or manufacture. MPEP §2106(2)(a). A claim limited to a machine or manufacture, which has a practical application in the technological arts, is statutory. *Id.* In most cases, a claim to a specific machine or manufacture will have a practical application in the technological arts. *Id.* Additionally, the Federal Circuit has explained that a general purpose computer in effect becomes a special purpose computer once it is programmed to perform particular functions pursuant to instructions from program software. *In re Alappat*, 33 F.3d 1526, 1545 (Fed. Cir. 1994). The Federal Circuit held that such programming of a general computer creates a new machine. *In re Alappat*, 33 F.3d 1545. Contrary to the Office Action's contention that the gaming device (and method of operating a gaming device) of the present invention are structurally identical to Farrell and only different in terms of the software executed, Applicants respectfully submit that different computers executing different software must be considered different machines and thus the gaming device

(and method of operating a gaming device) of the present invention must be considered a different machine from Farrell.

In *In re Alappat*, the Federal Circuit further reasoned that a machine which performs mathematical calculations is not a disembodied mathematical concept which may be characterized as an "abstract idea," but rather, a specific machine to produce a useful, concrete and tangible results. *In re Alappat*, 33 F.3d 1545. The Federal Circuit reaffirmed this reasoning and held that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula or calculation, because it produces a useful, concrete and tangible result. *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368 (Fed. Cir. 1998). The Federal Circuit further held that a machine programmed with specific software which produces a useful, concrete and tangible result is statutory subject matter, even if the useful result is expressed in numbers. *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1375.

All the present claims are directed to a gaming device or method of operating a gaming device which produces a useful, concrete and tangible result. More specifically, the claimed gaming device and claimed method of operating a gaming device produce at least two useful, concrete and tangible results. First, the gaming device (or method of operating a gaming device) include displays one or more offers to a player and thus produce the useful, concrete and tangible result of displaying offers to a player for acceptance or rejection. Second, the gaming device (and method of operating a gaming device) provide an accepted offer to the player and thus produce another useful, concrete and tangible result of providing an offer to the player.

The Office Action states that Farrell discloses a gaming machine with a first set of potential offers and a second set of potential offers. Applicants respectfully disagree and submit that Farrell discloses a gaming device with one set of potential offers which the player may potentially accept or reject. Unlike the gaming device of amended independent Claim 1, in Farrell, each of the offers provided to the player to accept or reject are from the same set of potential offers. In Farrell, the first offer is based on the

prize associated with the player's first prize level of the prize ladder and any subsequent offer is based on the prize associated with another prize level of the prize ladder. Farrell does not teach, disclose or suggest a first set of potential offers and a second set of different potential offers. On the other hand, the gaming device of amended independent Claim 1 includes a first set of potential offers and a second set of different potential offers, wherein at least one of the offers in the second set is based on a total value of all previous offers made to the player. While the first and second potential offers in Farrell are selected from the same plurality of offers associated with the prize ladder, the first and second potential offers in the gaming device of amended independent Claim 1 are selected from two different sets of potential offers.

Additionally, unlike Farrell, in the gaming device of amended independent Claim 1, if the player rejects the first offer, at least one potential offer of the second set is determined as a subsequent offer and made to the player. On the other hand, in Farrell, if the player rejects the first offer, the player may not be provided a second offer to accept or reject. In Farrell, if the player rejects the first offer, then the determination of whether the player is provided a second offer is based on the outcome of the high/low game. Farrell does not teach, disclose or suggest a gaming device wherein if the player rejects the first offer, the player is always provided a second offer. On the other hand, in the gaming device of amended independent Claim 1, if the player rejects the first offer, the player is always provided a second offer.

The Office Action states that Farrell does not disclose in detail the mathematical value of the prizes offered in the system and it is just merely discloses that when the player does not collect the offered prize, they are presented with a new offer. The Office Action continues that altering the function by which that value is calculated would be obvious to the skilled artisan who would have a strong mathematical and statistical background and would be motivated to alter the values as a means to find the maximum combination of attracting players and maintaining profit through the payout schedule.

Applicants respectfully disagree and submit that the Office Action improperly relies on hindsight reasoning as a justification for this obviousness rejection. Obviousness cannot be based on the hindsight combination of components selectively

culled from prior art to fit the parameters of the claimed invention. MPEP §2145; *ATD Corp. v. Lydall*, 48 U.S.P.Q.2d 1321, 1329 (Fed. Cir. 1998). When the Examiner fails to explain how the skilled artisan would have been motivated by the prior art to make the claimed combination, the court infers that the obviousness determination has been made in hindsight, which is improper. *In re Gorman*, 18 U.S.P.Q.2d 1885, 1888 (Fed. Cir. 1991). In this case, it is respectfully submitted that the Office Action improperly used hindsight reasoning to conclude that it would have been obvious to one of ordinary skill in the art at the time of the invention to include a potential offer in a second set of potential offers which is based on a total value of all previous offers made to the player.

For example, the gaming device may include a first set of five potential offers valued at four, five, ten, fifteen and twenty. If the first offer of five is rejected by the player, the next set includes four potential offers valued at nine, ten, fifteen and twenty. In this example, as in amended independent Claim 1, at least one potential offer in the second set is based on the total value of all previous offers made to the player. If the second offer of fifteen is rejected, the next set includes three potential offers of nine, twenty and twenty-five. Again, at least one potential offer in the second set is based on the total value of all previous offers made to the player. This example illustrates the different calculations involved in determining the potential offers in the second set and how it would not have been obvious to one of ordinary skill in the art at the time of the invention to include a second set of potential offers with at least one offer which is based on a total value of all previous offers made to the player. For this reason and the reasons described above, Applicants respectfully submit that independent Claim 1 is patentably distinguished over Farrell and in condition for allowance.

Claims 2 and 5 depend directly or indirectly from independent Claim 1 and are also allowable for the reasons given with respect to independent amended Claim 1 and because of the additional features recited in these claims.

Amended independent Claims 7, 16, 23, 38 and 45 are each directed to a gaming device/method of operating a gaming device including, amongst other elements, a first offer selected from a plurality of first offers and a second offer different than any of the plurality of first offers wherein the second offer is based on a total value of each of

the previously provided offers. As described above with respect to amended independent Claim 1, unlike Farrell, wherein the first offer and the second offer are selected from the same prize ladder, the second/changed offer in these claims are different than any of the plurality of first offers. For these reasons, it is respectfully submitted that amended independent Claims 7, 16, 23, 38 and 45 are patentably distinguished over Farrell and in condition for allowance.

Claims 8, 9, 12, 13, 17 to 22, 24 to 28, 39 to 44 and 46, 47 and 50 to 53 depend directly or indirectly from Claims 7, 16, 23, 38 and 45, respectively and are also allowable for the reasons given with respect to Claims 7, 16, 23, 38 and 45 and because of the additional features recited in these claims.

An earnest endeavor has been made to place this application in condition for formal allowance and in the absence of more pertinent art such action is courteously solicited. If the Examiner has any questions regarding this Response, applicant respectfully requests that the Examiner contact the undersigned.

Respectfully submitted,

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Dated: November 19, 2004